

FISCAL NOTE

SB 261 - HB 255

March 24, 2000

SUMMARY OF BILL: Removes certain provisions of the Tennessee Code Annotated which deals with the now defunct Tennessee Foundation Program's (TFP) method of funding education and adds the following passage as a subsection to numerous code sections between TCA 49-1-209 and 49-11-104, as well as 49-50-1002:

"() Effective with the 1997-98 fiscal year, the basic education program (BEP) component of the Education Improvement Act of 1992, was fully funded as provided for in Section 49-3-354(h), and any provision dependent on such full funding is in effect as of July 1, 1997."

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact - Provides for a possible shift in BEP funding in excess of \$100,000

By removing the definition for WFTEADA in present law and TCA 49-3-315, which deals with the allocation of local revenues for schools among LEAs in counties with multiple LEAs, there would be no codified guidelines for such allocation of funds. To this extent, LEAs could continue to distribute funds based on WFTEADA or use some other method.

To the extent LEAs use another method other than WFTEADA to distribute local funds, some systems would gain revenue while other systems would lose revenue that otherwise would not have in absence of the bill.

For example: By changing the apportionment method from *WFTEADA to the same basis on which state BEP funds are distributed in that county* would cause Shelby County funding to be reduced by approximately \$1,772,000 and Memphis City Schools funding to increase by the same amount.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director